

NEIL ABERCROMBIE
GOVERNOR



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March 15, 2012

TO: The Honorable John M. Mizuno, Chair
House Committee on Human Services

The Honorable Ryan I. Yamane, Chair
House Committee on Health

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2712 - RELATING TO MEDICAID**

Hearing: Thursday, March 15, 2012; 10:00 a.m.
Conference Room 329, State Capitol

PURPOSE: The purpose of the bill is to amend section 346-1, Hawaii Revised Statutes, to define the term "medical institution" as being an institution created for the practice of medicine and for caring for patients on a long-term basis.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this Administration bill. Section 346-29.5, Hawaii Revised Statutes, allows Medicaid liens to be placed on the real property of Medicaid recipients who are in a "medical institution." This bill will define that a medical institution is any facility that engages in the practice of medicine and also provides long-term care services at a nursing facility level of care. By clarifying what types of institutions would fall within the statute, DHS will be able to determine whether or not a lien may be properly placed on the recipient's real property. This will assist the Department of Human Services in its collections of reimbursements for its Medicaid liens.

The DHS defers to the Department of the Attorney General regarding the technical aspects of this bill.

Thank you for the opportunity to testify on this bill.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SIXTH LEGISLATURE, 2012**

ON THE FOLLOWING MEASURE:

S.B. NO. 2712, RELATING TO MEDICAID.

BEFORE THE:

HOUSE COMMITTEES ON HUMAN SERVICES AND ON HEALTH

DATE: Thursday, March 15, 2012

TIME: 10:00 a.m.

LOCATION: State Capitol, Room 329

TESTIFIER(S): David M. Louie, Attorney General, or
Elton Au, or Michael Vincent, Deputy Attorneys General

Chair Mizuno, Chair Yamane and Members of the Committees:

The Department of the Attorney General strongly supports this measure.

The purpose of this bill is to define the term "medical institution" as being an institution created for the practice of medicine, which also provides long-term care services at a nursing facility level of care.

The term "medical institution" can be vague. The term is used in section 346-29.5, Hawaii Revised Statutes, to determine if a Medicaid lien may be properly placed upon the real property of a Medicaid recipient, after the recipient enters a "medical institution." If the recipient enters a "medical institution," the Department of Human Services is allowed to place a lien upon the real property of the Medicaid recipient to potentially recover the payments made for the recipient's care. Some recipients, however, could argue that the facility they are living in is not a medical institution, in order to prevent the Department of Human Services from putting a lien on their real property. This bill would help to clarify that a "medical institution" is any facility that includes the practice of medicine and also provides long-term care services at a nursing facility level of care.

We respectfully request passage of this bill.